

Michael S. Davis
Yoav M. Griver
ZEICHNER ELLMAN & KRAUSE LLP
575 Lexington Avenue
New York, New York 10022
(212) 223-0400
Attorneys for plaintiff Illinois National
Insurance Company

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ILLINOIS NATIONAL INSURANCE
COMPANY,

Plaintiff,

- against -

UNITED STATES FIDELITY AND GUARANTY,

Defendant.

Case No.: 07 Civ. 8248 (JFK)

**DECLARATION OF MICHELLE
LEVITT IN SUPPORT OF
PLAINTIFF'S MOTION
FOR SUMMARY JUDGMENT**

STATE OF NEW YORK,
COUNTY OF NEW YORK.

MICHELLE LEVITT, pursuant to 28 U.S.C. § 1746 and under the penalties of perjury, affirms as follows:

1. I am Associate General Counsel to American International Group, Inc. ("AIG"). AIG is a holding company, and plaintiff Illinois National Insurance Company ("Illinois National") is a wholly-owned subsidiary of AIG.

2. As Associate General Counsel to AIG, I provide legal services for, and represent the interests of, Illinois National and its affiliates and subsidiaries. My duties include the representation of Illinois National in connection with the monies owed to Illinois National by United States Fidelity And Guaranty ("USF&G") under the bond at

issue in this action.

3. I make this affidavit based upon personal knowledge, and upon the review of books and records maintained in the ordinary course of business and in my possession, custody, or control.

4. On or about November 10, 2000, in connection with insurance provided to Petrocelli Electric Co., Inc. ("Petrocelli") by Illinois National, Petrocelli, as Principal, and USF&G, as Surety, executed and delivered an Obligation Bond, Bond No. KF 5673 (the "Bond") for the payment of up to the maximum penal sum of Nine Hundred Sixteen Thousand Nine Hundred Fifty Eight Dollars (\$916,958), naming Illinois National and each of its affiliates and subsidiaries as Obligee. A true and correct copy of the Bond is attached herein as **Exhibit A**.

5. After USF&G cancelled the Bond, Illinois National did not receive successor collateral from Petrocelli acceptable to Illinois National to replace the Bond. In a letter dated September 23, 2004, Illinois National made a demand for payment "as security" of \$916,958, the maximum penal sum of the Bond. A true and correct copy of the September 23, 2004 demand letter (the "Demand") is annexed herein as **Exhibit B**.

6. Despite the Demand, no payment was received from USF&G.

7. As of this date, the Demand remains unanswered, and no payment on the Bond has ever been received by Illinois National.

8. Petrocelli's Obligations to Illinois National have not been fully and finally paid.

9. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: April 3, 2008

A handwritten signature in cursive script, appearing to read "Michelle Levitt", written in dark ink.

MICHELLE LEVITT